



City of Santa Barbara
Airport Department

DATE: May 16, 2012
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Lease Agreement – Freedom Photonics, LLC

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a Lease Agreement with Freedom Photonics, LLC, a California Limited Liability Company, for 3,042 square feet of research & development space, at 90 Dean Arnold Place, at the Santa Barbara Airport, for a term of one-year with one (1) one-year option, effective May 1, 2012, for a monthly rental of \$3,179, exclusive of utilities.

DISCUSSION:

The subject Premises is located south of Hollister Avenue in an Airport Facilities (AF) zone.

Freedom Photonics has been a tenant in good standing at the Airport since May 1, 2010. They specialize in the development and production of fiber optic communications devices and systems. The Premises in Building 315, Units C&D, are used for research and development, associated offices, and storage. The use conforms to existing zoning.

The proposed monthly rental is based on a rate of \$1.045 per square foot for Industrial/R&D space, and is comparable to other buildings on the Airport for similar use and in similar condition. The current Industrial rate ranges from \$.95 to \$1.50. The industrial category includes R&D, workshop, and assembly space, but may also reflect a combination of uses including office and storage space that is unique to a particular tenant. The new rental represents a 3% increase over the previous year.

In addition, Freedom Photonics will pay monthly utilities charges of \$65.50 for water, \$35.25 for sewer service, and \$67 for gas.

The proposed Lease Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division

ATTACHMENT: Map